

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

CAMELIA LEYVA-UGALDE, et al.,	)	
	)	
Plaintiffs,	)	Case No. 20 C 1957
	)	
v.	)	Judge Jorge L. Alonso
	)	
TEN TWENTYEIGHT, INC., et al.,	)	
	)	
Defendants.	)	

**ORDER**

The parties' motion [18] to approve settlement is granted. The Court approves the parties' settlements and dismisses this case without prejudice. This dismissal shall automatically convert to a dismissal with prejudice on August 10, 2020 if no party has moved for reinstatement before that date. Civil case terminated.

**STATEMENT**

Plaintiffs filed suit under the Fair Labor Standards Act ("FLSA"), and the parties have agreed to a settlement.

The FLSA sets minimum wage and maximum hour rules, and employees and employers are not allowed to contract around those rules. According, settlements of FLSA claims require approval from the Court. *Salcedo v. D'Arcy Buick GMC, Inc.*, 227 F. Supp.3d 960, 961 (N.D. Ill. 2016). The theory is that:

[T]he Fair Labor Standards Act is designed to prevent consenting adults from transacting about minimum wages and overtime pay. Once the Act makes it impossible to agree on the amount of pay, it is necessary to ban private settlements of disputes about pay. Otherwise the parties' ability to settle disputes would allow them to establish sub-minimum wages.

*Walton v. United Consumers Club, Inc.*, 786 F.2d 303, 306 (7th Cir. 1986).

In this case, the parties—all of whom appear to be represented by experienced counsel—report that, after the plaintiffs filed their complaint, defendant produced to them documents and information about payroll software that convinced plaintiffs that they had, in fact, been paid properly. That information accounts for the short duration of this case and the relatively low settlement amounts.

Under these circumstances, the Court is satisfied that the settlements are reasonable, and, accordingly, the Court approves them.

SO ORDERED.

ENTERED: August 4, 2020

A handwritten signature in dark ink, consisting of a large, loopy 'J' followed by a stylized 'A' and a period.

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JORGE L. ALONSO  
United States District Judge